

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEBRASKA**

In re:	)	
	)	Chapter 11
	)	
GORDMANS STORES, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 17-80304 (TLS)
	)	
Debtors.	)	(Jointly Administered)
	)	

**DEBTORS' REQUEST PURSUANT TO NEB. R. BANKR. P. 9017-1.B.  
TO PRESENT ORAL TESTIMONY IN SUPPORT OF DEBTORS' MOTION  
TO (I) ESTABLISH BIDDING PROCEDURES AND (II) APPROVE THE BID  
PROTECTIONS RELATED TO THE DISPOSITION OF CERTAIN ASSETS  
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS**

Gordmans Stores, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"), respectfully state the following in support of this motion<sup>2</sup>:

**Relief Requested**

1. The Debtors seek permission to present oral testimony in support of the *Debtors' Motion to (I) Establish Bidding Procedures and (II) Approve the Bid Protections Related to the Disposition of Certain Assets Free and Clear of Liens, Claims, Encumbrances, and Interests* [Docket No. 24] (the "Motion")<sup>3</sup> at the hearing scheduled to hear and consider the relief

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, include: Gordmans Stores, Inc. (1987); Gordmans, Inc. (1211); Gordmans Management Company, Inc. (5281); Gordmans Distribution Company, Inc. (5421); Gordmans Intermediate Holdings Corp. (9938); and Gordmans LLC (1987). The location of the debtors' service address is: 1926 South 67th Street, Omaha, Nebraska, 68106.

<sup>2</sup> A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this motion and the Debtors' chapter 11 cases, are set forth in greater detail in the *Declaration of James B. Brown in Support of First Day Motions* [Docket No. 14], filed contemporaneously with the Debtors' voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code").

<sup>3</sup> All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

requested thereby on Monday, March 20, 2017 at 1:00 p.m. CDT (the “Hearing”); and (b) granting related relief. Specifically, the Debtors request that the Court permit each of (i) James B. Brown, Chief Financial Officer and Executive Vice President of Gordmans Stores, Inc. (“Gordmans Stores”) and (ii) Edward Mielke, Managing Director of Duff & Phelps Securities, LLC (“D&P”) to present oral testimony at the Hearing in support of the Motion.

### **Jurisdiction and Venue**

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Nebraska General Rule 1.5 of the United States District Court for the District of Nebraska. The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are Section 105(a) of the Bankruptcy Code and Rule 9017-1.B. of the Nebraska Rules of Bankruptcy Procedure (the “Local Rules”).

### **Background**

5. Gordmans Stores, Inc., together with its Debtor affiliates, is a retail company engaged in the sale of apparel, home goods, and other merchandise at over 100 stores in 22 states throughout the United States and through e-commerce operations. The Debtors are headquartered in Omaha, Nebraska.

6. On March 13, 2017 (the “Petition Date”), each of the Debtors filed a petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their

business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases have been procedurally consolidated and are being jointly administered pursuant to Bankruptcy Rule 1015(b). The official committee of unsecured creditors in these chapter 11 cases was appointed on March 15, 2017. No party has requested the appointment of a trustee or examiner in these chapter 11 cases.

**Basis for Relief**

7. As more specifically set forth in the Motion and the *Debtors' (I) Request for an Expedited Hearing; (II) Request for Shortened Notice; and (III) Request for Expedited Ruling with Respect to Debtors' Motion to (I) Establish Bidding Procedures and (II) Approve the Bid Protections Related to the Disposition of Certain Assets Free and Clear of Liens, Claims, Encumbrances, and Interests* [Docket No. 25], the Debtors have sought an expedited hearing and ruling on the approval of the Bidding Procedures and bid protections proposed in the Motion due to the urgency of the Debtors' current situation. On March 13, 2017, the Court scheduled the Hearing on the Motion for March 20, 2017.

8. In order to preserve and maximize the value of the Debtors' assets, it is imperative that the approved Bidding Procedures provide for an expedited process to approve a sale or other disposition of the Debtors' assets. To that end, the Debtors believe that offering live testimony from James B. Brown, Chief Financial Officer and Executive Vice President of Gordmans Stores, and Edward Mielke, Managing Director of D&P, in support of the Motion will be beneficial in understanding the dire need for the Debtors to move forward on the swift timeline proposed in the Motion.

9. Although the Debtors recognize that this Court has set the hearing to be heard on affidavit evidence pursuant to the *Notice Setting Objection / Resistance Deadline and Hearing Date* with respect to the Motion [Docket No. 42], the Debtors submit that oral testimony will be

valuable in evaluating and rendering an expedited decision regarding the relief sought in the Motion due to the immediacy of the proposed timeline and significant risks faced by the Debtors in the event of any delay.

10. Mr. Brown, as the Chief Financial Officer and Executive Vice President of Gordmans Stores, is intimately familiar with the events and circumstances leading to the commencement of these chapter 11 cases and the Debtors' current financial situation, inventory constraints and projected cash burn. Mr. Brown has the ability to provide detailed, real time information to the Court to aid in the Court's consideration of and expedited ruling on the relief sought in the Motion.

11. Mr. Mielke, a Managing Director of D&P, is one of the lead advisors with respect to the Debtors' marketing and sale efforts, including negotiations with interested parties. Mr. Mielke was actively involved in negotiating the terms ultimately reached with the Stalking Horse Agent that are memorialized in the Stalking Horse Agency Agreement and is therefore similarly uniquely situated and qualified to present comprehensive and live testimony at the Hearing that underscores the urgency faced by the Debtors to assist with the Court's consideration of and expedited ruling on the relief sought in the Motion.

12. Accordingly, the Debtors seek the Court's permission to present oral testimony in support of the Motion at the Hearing and, more specifically, to present the testimony of James B. Brown, Chief Financial Officer and Executive Vice President of Gordmans Stores, and Edward Mielke, Managing Director of D&P. To the extent requested by a party in interest, Debtors will make a good faith effort to make Mr. Brown and/or Mr. Mielke available prior to the March 20, 2017 hearing for deposition regarding their testimony at such hearing.

**Reservation of Rights**

13. Nothing contained in this motion or any actions taken by the Debtors pursuant to relief granted in the Order is intended or should be construed as a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law.

**Notice**

14. The Debtors will provide notice of this motion to the following parties or their respective counsel, if known: (a) the Office of the United States Trustee for the District of Nebraska; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the state attorneys general for states in which the Debtors conduct business; (d) the Nebraska Department of Revenue; (e) the Office of the United States Attorney for the District of Nebraska; (f) the Internal Revenue Service; (g) the Securities and Exchange Commission; (h) counsel to Wells Fargo Bank, N.A.; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

15. No prior request for the relief sought in this motion has been made to this or any other court.

*[Remainder of page intentionally left blank]*

WHEREFORE, the Debtors respectfully request that the Court enter the Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances and upon entry of such Order, Debtors will make a good faith effort to make Mr. Brown and/or Mr. Mielke available prior to the March 20, 2017 hearing for deposition regarding their testimony at such hearing.

Dated: March 16, 2017

*/s/ Lisa M. Peters*

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